

MACKINAC FINANCIAL CORPORATION

| | CPP Disbursement Date 04/24/2009 | RSSD (Holding Company) 1123933 | Number of Insured Depository Institutions 1 | | |
|---|-------------------------------------|-----------------------------------|---|------|----|
| | | | | | |
| Selected balance and off-balance sheet items | 2010 \$ millions | 2011 \$ millions | %chg from prev | | |
| Assets | \$479 | \$498 | 4.0% | | |
| Loans | \$383 | \$401 | 4.8% | | |
| Construction & development | \$39 | \$26 | -34.6% | | |
| Closed-end 1-4 family residential | \$61 | \$63 | 2.8% | | |
| Home equity | \$14 | \$15 | 3.8% | | |
| Credit card | \$1 | \$1 | 13.3% | | |
| Other consumer | \$4 | \$3 | -34.4% | | |
| Commercial & Industrial | \$62 | \$86 | 38.5% | | |
| Commercial real estate | \$188 | \$194 | 3.1% | | |
| | | | | | |
| Unused commitments | \$34 | \$47 | 38.7% | | |
| Securitization outstanding principal | \$0 | \$0 | | | |
| Mortgage-backed securities (GSE and private issue) | \$28 | \$11 | -58.5% | | |
| Asset-backed securities | \$0 | \$3 | | | |
| Other securities | \$6 | \$24 | 295.3% | | |
| Cash & balances due | \$23 | \$20 | -14.3% | | |
| | | | | | |
| Residential mortgage originations | | | | | |
| Closed-end mortgage originated for sale (quarter) | \$10 | \$17 | 71.7% | | |
| Open-end HELOC originated for sale (quarter) | \$2 | \$2 | -15.0% | | |
| Closed-end mortgage originations sold (quarter) | \$16 | \$17 | 7.7% | | |
| Open-end HELOC originations sold (quarter) | \$0 | \$0 | | | |
| | | | | | |
| Liabilities | \$430 | \$447 | 3.9% | | |
| Deposits | \$393 | \$410 | 4.3% | | |
| Total other borrowings | \$35 | \$35 | 0.0% | | |
| FHLB advances | \$35 | \$35 | 0.0% | | |
| | | | | | |
| Equity | | | | | |
| Equity capital at quarter end | \$49 | \$51 | 4.8% | | |
| Stock sales and transactions with parent holding company (cumulative through calendar year) | \$1 | \$0 | NA | | |
| | | | | | |
| Performance Ratios | | | | | |
| Tier 1 leverage ratio | 8.1% | 9.2% | -- | | |
| Tier 1 risk based capital ratio | 9.9% | 10.7% | -- | | |
| Total risk based capital ratio | 11.2% | 11.9% | -- | | |
| Return on equity ¹ | -13.7% | 1.7% | -- | | |
| Return on assets ¹ | -1.4% | 0.2% | -- | | |
| Net interest margin ¹ | 4.0% | 4.4% | -- | | |
| Coverage ratio {(ALLL+Alloc transfer risk)/Noncurrent loans}} | 111.0% | 94.9% | -- | | |
| Loss provision to net charge-offs (qtr) | 288.5% | 68.9% | -- | | |
| Net charge-offs to average loans and leases ¹ | 0.7% | 1.9% | -- | | |
| ¹ Quarterly, annualized. | | | | | |
| | | | | | |
| | Noncurrent Loans | | Gross Charge-Offs | | |
| Asset Quality (% of Total Loan Type) | 2010 | 2011 | 2010 | 2011 | |
| Construction & development | 1.3% | 0.1% | 1.9% | 1.3% | -- |
| Closed-end 1-4 family residential | 1.9% | 3.1% | 0.2% | 0.4% | -- |
| Home equity | 0.0% | 0.2% | 0.0% | 0.0% | -- |
| Credit card | 0.0% | 0.0% | 0.0% | 1.0% | -- |
| Other consumer | 0.0% | 0.0% | 0.1% | 0.0% | -- |
| Commercial & Industrial | 1.2% | 1.3% | 0.1% | 0.0% | -- |
| Commercial real estate | 1.9% | 1.2% | 0.0% | 0.7% | -- |
| Total loans | 1.5% | 1.4% | 0.2% | 0.5% | -- |